



Washington State

## UNCLAIMED PROPERTY

# Local Government Guide

All local governments consisting of cities, towns, counties, municipal and quasi-municipal corporations holding unclaimed property must report it by November 1 each year. Local governments should report all unclaimed property except unclaimed restitution and excess foreclosure proceeds.

Local governments may keep the funds for some types of reported property. Most property held by local governments is presumed abandoned after two years. The **exceptions** are payroll checks and utility deposits or refunds. These are presumed abandoned after one year.

### You must report and remit:

- Unclaimed court monies
- Trust accounts
- Unrefunded utility deposits
- Unclaimed debt service payments
- Unredeemed bonds and coupons

## Report and Retain Funds

### You must report but may retain funds for:

- Warrants
- Uncashed checks
- Property tax overpayments or refunds
- Abandoned public transportation fare cards or passes

**NOTE:** 2005 legislation removed the requirement to report excess proceeds from property and irrigation district tax foreclosures.

### Option to Remit

Local governments may remit funds to the Department of Revenue that could otherwise be retained.

#### Advantages:

- Indemnified for remitted property
- Not responsible for refunds
- Little-to-no research or contact with claimants

### Fare Cards

In the 2005 legislative session, public transportation fare cards and passes were included in the property types that may be retained. "Fare card" means any pass or instrument, and the value it represents, purchased for public transportation facilities or services. "Fare card" does not include "gift card" or "gift certificate." A public transportation authority that holds funds representing value on abandoned fare cards may retain the funds until the owner notifies the authority and establishes ownership. "Public transportation authority" means a municipality, a regional transit authority, a public mass transportation system, or a city transportation authority.

## Public Debt

Unclaimed matured bonds and related interest or coupon payments are considered abandoned after two years. Each unredeemed coupon or interest payment is reported two years after it becomes payable, even if the bond has not matured.

Many local governments use the services of the state's fiscal agent, which is the Bank of New York (BONY), for paying debt service on bonds they issue.

### Reportable items include:

- Unredeemed bonds
- Interest/Coupons

### Local governments using BONY have two options when matured bonds and/or coupons are unredeemed:

**Option One:** One year after the last legal payment date on matured bonds, local governments may send a written request to the fiscal agent to return any remaining unredeemed bonds and coupons.

According to BONY's contract with the state, the local government may float the earnings that accrue during the one year period (or more) before the local government requests the funds. Two years after the last legal payment date on the matured bond, the local government needs to report and remit any unclaimed matured bonds and all remaining unreported coupons or interest payments.

**Option Two:** Local governments do not have to request the unredeemed bonds or coupons from the fiscal agent. You can have the fiscal agent report and remit the unredeemed property directly to the state on your behalf. The unredeemed property is presumed abandoned and becomes reportable after three years per RCW 62.19.120(3).

## Other Fiscal Agents/ Trustees

While uncommon, local governments may have issued bonds using other fiscal agents, or received unredeemed bond monies that were never reported. This property is reportable after two years.

## Unclaimed Restitution

Do not report unclaimed restitution as unclaimed property. In the past, this property was reportable as unclaimed property. The County Treasurer is required to report and send the funds to the State Treasurer for the Crime Victims Fund each month.

## Restitution Claims Process

If you have reported and paid restitution funds to us in the past, you may direct returning owners to Unclaimed Property for refund.

For funds sent to the State Treasurer for the Crime Victims Fund, you will need to recover the funds from the Administrator of the Courts (AOC) and repay the owner directly.

Since any unclaimed restitution should not reach two years abandonment before you send it to the Crime Victims Fund, do not report unclaimed restitution as unclaimed property. (See RCW's related to Unclaimed Property.)

## Cancelled Warrants

Unpresented warrants are cancelled by statute after one year. If the amount is still owed to the owner, cancellation of a warrant or check does not prevent abandonment. The underlying liability due the owner is reportable as unclaimed property after two years.

### Note on Records and Refunds:

After five years, a local government may transfer reported and retained funds to its general fund. However, retained funds must always be available for refund.

Records for retained property may be archived after five years.

Claimants of retained property are referred to the local government to pursue their claim.

# RCWs related to Unclaimed Property but not reported as Unclaimed Property

## Restitution:

Disposition when victim  
dead or not found.

Refer to RCW 7.68.290.1

Lost and found property.

Refer to RCW 63.21

Unclaimed property  
in hands of city police.

Refer to RCW 63.32

Unclaimed property  
in hands of state patrol.

Refer to RCW 63.35

Unclaimed property  
in hands of sheriff.

Refer to RCW 63.40

Unclaimed inmate  
personal property.

Refer to RCW 63.42

# Questions and Answers

**Q** Why do local governments remit some property types and only report other property types?

**A** In 1990, the Legislature enabled local governments to keep the funds for unclaimed property when a payment by check or warrant remained uncashed. Since the names are reported to Unclaimed Property, owners may still search one central point for abandoned property. The local government may use the funds until a person makes a claim.

Trust funds, bond monies, deposits, credit balances, and other property that has not been issued for refund by the local government is remitted with the unclaimed property report.

**Q** What if we report and remit the property and then discover we paid the owner?

**A** You can submit a Certificate of Holder (COH) and provide documentation the owner was paid and we will issue a refund to you. Let us know immediately that you have paid the owner so we will not pay the owner twice.

**Q** What is the best option for dealing with bond monies — take delivery and report, or let BONY retain?

**A** There are obvious advantages to allowing the state's fiscal agent, BONY, to report and remit the unclaimed bonds and coupons. The local government is relieved from the administrative task of reporting and remitting the funds to the state. Additionally, BONY can access the historical records on the bonds to answer any claimant questions.

**Q** We have a golf course and the pro shop issues gift certificates. Do we need to report the unredeemed gift certificates?

**A** Unredeemed gift certificates issued prior to July 1, 2001 are required to be reported and remitted. The only exception would be gift certificates issued for amateur prizes in a golf tournament. The pro shop may not expire the "winnings" gift certificates.

Gift certificates issued July 1, 2001 and later do not need to be reported but you may not enforce an expiration date against the customer; and you may not charge any kind of inactivity or service fee against the unused balance.



## Unclaimed Property Contact Information

**Main Phone: (360) 705-6706**  
(Press "0" for assistance)

**Toll Free: 1-800-435-2429**  
(Washington State only)

**Fax: (360) 586-2163**

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